



***(SEE SUPPLEMENTAL ANALYSIS, DATED 8/30/04, FOR THE UPDATED
RESIDENTIAL AMENITY SPACE PROPOSAL)***

DIRECTOR'S REPORT AND RECOMMENDATION

Housing Amendments for First Hill

Introduction

The Department of Planning and Development (DPD) is proposing amendments to the Land Use Code that are consistent with City and neighborhood goals to remove obstacles to the development of new housing in the First Hill Neighborhood. The amendments would change residential parking requirements in the First Hill Neighborhood to better reflect car ownership trends and amend private open space requirements for residential uses in commercial zones to approximate requirements in multifamily zones for similar uses.

The proposed amendments would apply within the First Hill Urban Village and would accomplish the following:

- Revise the minimum residential parking requirement for multifamily uses to 0.6 parking space per dwelling unit;
- Modify the City's State Environmental Policy Act (SEPA) parking policies to be consistent with the proposed parking requirement; and
- Ensure greater equity in private open space requirements for residential uses whether located in a commercial or residential zone by modifying the open space requirement for residential uses located in commercial zones.

Background

During the neighborhood planning process of the late 1990s, neighborhood planners from the First Hill Urban Village favored increased capacity to accommodate more housing and generally expressed a preference for the development of a variety of housing types. The First Hill neighborhood has an abundance of institutional uses and special needs housing and a limited supply of market rate housing. Fostering the development of market rate and workforce housing is a practical way to balance the overall mix of uses in the neighborhood, providing for a fuller range of housing for different income levels in the neighborhood.

Stewards of the First Hill neighborhood plan identify the need for market rate housing and housing targeted for households earning roughly 80% of median income. Market analyses indicate there are 30,000 people working on First Hill generally within the 80% income bracket (\$35,000 to \$65,000 annually), and that these workers are predominantly

single, between 25 and 45 years old, and want to work and be close to urban amenities.¹ While First Hill can accommodate additional residents, land costs are high and new residential development must take place in larger buildings to be economically viable.

First Hill is well-suited to accommodate residential growth. Over 30,000 people are employed on First Hill. Market analyses by developers of housing suggest that only one third of these people live on or near First Hill, and the remainder would choose to live there if more housing were available. First Hill's major institution employers, its proximity to downtown and to potential new jobs in South Lake Union, and the availability of public transit are further reasons to encourage new residential development. By reducing the minimum parking requirement to reflect car ownership trends in the neighborhood and by further amending redundant or disproportionate development requirements, such as open space, new housing may be more cost effective to provide on First Hill.

Coordination with other efforts in other neighborhoods. In addition to addressing First Hill neighborhood planning goals, the proposal follows recent steps taken to address emerging land use issues resulting from a flagging economy, and is the first in a series of legislative proposals to energize housing development and revitalization in selected neighborhoods – First Hill, University District, South Lake Union, Broadway, Central Area, Northgate, the International District, Pioneer Square and Southeast Seattle. Several measures were undertaken earlier last year to apply citywide or focused on new development in the First Hill Neighborhood, including:

- Revisions to permit expiration rules, eliminating the expense and process of annual MUP renewals while assuring that permitted projects meet the most current codes during the life of the permit (citywide);
- Allowing interim principal use parking in certain circumstances to enable some economic return on property where accessory parking is established for a use that was discontinued or where a partially constructed site cannot be completed (citywide); and
- Modification of Floor Area Ratio requirements for property zoned NC3-160 in the First Hill Urban Village, encouraging the mixing of two uses within a structure instead of three and removing limits on residential density (First Hill).

These combined actions are intended to preserve the viability of new development in the city's business and mixed use neighborhoods. While numerous proposed developments have been adversely affected by our changing economic conditions, removing code obstacles is one positive contribution that can be made now towards furthering the vision of the First Hill Neighborhood Plan. Our efforts are closely linked to other legislative efforts to support existing and emerging neighborhoods throughout Seattle, including South Lake Union and the University District, for which recommendations are forthcoming later in 2004. In addition, work is in progress to comprehensively review

¹ Harbor Properties, Inc., Presentation on Creating More Affordable Housing (80% of median) for those working in the First Hill and Cascade Neighborhoods (April 2003).

our policies and development regulations governing commercial neighborhoods citywide in an effort to improve prospects for business and residential development throughout the city's mixed use urban villages and centers.

Analysis

Parking Requirements

The general parking requirement for multifamily uses applies on First Hill and ranges from a minimum of 1.1 to 1.5 parking spaces per unit, depending on the following factors:

- number of units,
- unit size, and
- number of bedrooms per unit.

Certain neighborhoods have parking quantity requirements that differ from the general requirement. For example, the Pike/Pine and Cascade neighborhoods, which share the distinction of being center city neighborhoods (in close proximity to downtown) with First Hill, require a minimum of one space per dwelling unit. Downtown neighborhoods, such as Belltown and the International District, have no minimum requirement for residential uses. Appendix B lists minimum parking requirements for most residential uses.

Demand for parking vs. parking requirements. Minimum parking requirements are intended to reflect an estimate of minimum anticipated demand, coupled with allowances for guest parking and for maintenance and delivery vehicles. These factors are balanced against transportation policies that seek to reduce dependence on automobile use and promote wise use and sustainability of the urban environment. There are different methods available for estimating parking demand for residential use. The 2000 Census offers data on "vehicles available per household." Measuring vehicles available per household results in a slightly higher number per household than, for example, measuring car ownership, because it may include vehicles not parked at home as well as vehicles parked at home but not owned by a resident, such as work vehicles or borrowed cars. "Vehicles available per household," however, is a reliable predictor of residential parking behavior.

The 2000 Census data confirms a pattern where households in center city neighborhoods own fewer cars, on the whole, than households in neighborhoods beyond the center. Center city neighborhoods are located near employment centers and necessary goods and services, and are well served by transit. In other neighborhoods, established land use patterns make owning a car more of a necessity to daily household activities. Applying the same minimum parking requirement to center city neighborhoods imposes a more costly burden on housing development, increasing the cost of housing development, by requiring construction of off-street parking that may go unused and is not supported by car ownership patterns.

Analysis of 2000 Census data shows that one parking space per residential unit – the same requirement that applies in the Pike/Pine and Cascade neighborhoods – would result in requiring approximately 40% more parking than a project’s estimated demand. The census information shows that out of 5,121 households in the First Hill Urban Village, average vehicles available per household is 0.56 vehicles. Of these, 699 units were owner-occupied and 4,422 units were renter-occupied. The 699 owner-occupied units had a total of 647 vehicles available, an average of 0.92 vehicles per household. The 4,422 renter-occupied units had 2,244 vehicles available, for an average of 0.51 vehicles per unit. (See Table 1.)

Table 1: Vehicles Available per Household in First Hill (2000 Census)

Unit Type:	Owner-occupied	Renter-occupied	All units
Number of vehicles available	0.9 (0.92)	0.5 (0.51)	0.6 (0.56)

The higher prevalence of smaller housing units occupied by one- or two-person households, and the convenience presented by locations on First Hill, largely explains the lower number of vehicles available per household and in other center city neighborhoods. A parking study prepared in 1998 by Heffron Transportation confirms this phenomenon in terms of parking demand rather than vehicle availability.¹

Consistency with the Comprehensive Plan. DPD's proposal supports the neighborhood goal of planning for sufficient parking on First Hill. It also strongly supports the First Hill Neighborhood Plan goal of creating a mixed-use community where one can live, work and play without reliance on an automobile. The latter goal is consistent with, among others, policies G15 and G16 of the Seattle Comprehensive Plan.² (See Appendix A.)

- G15: Provide enough parking to sustain the economic viability and vitality of commercial areas while discouraging commuting by single-occupant vehicle.
- G16: Reduce use of cars over time, particularly for commute trips.

Transit availability on First Hill. The proximity to a variety of transit services makes it easier for neighborhood residents to choose alternatives to single-occupant vehicle travel and automobile ownership. Much of the existing transit service in First Hill consists of downtown-oriented in-city bus routes operating on Madison, James-Jefferson, and Seneca connecting downtown to the Capitol Hill and Central District neighborhoods east of First Hill. These bus routes are long-standing routes with frequent all-day service. Several new routes provide all-day connections to additional Seattle neighborhoods and

¹ Heffron Transportation, October 1998.

² Seattle’s Comprehensive Plan, Toward a Sustainable Seattle, A plan for Managing Growth, 1994-2014, last amended in 2002.

peak-commuter service to city and suburban park and rides. A downtown shuttle service operates in the southern end of First Hill, operating in a loop on James and Yesler. The western portions of First Hill are within walking distance of the King County/Metro Ride Free zone. A local car-sharing organization, Flexcar, also has several car-sharing stations located on First Hill and within walking distance on Capitol Hill.

Affordable housing. The Code required amount of parking for residential uses is a significant cost in the construction of housing in the First Hill neighborhood. Off-street parking makes up more than ten percent of the per unit cost of single-family houses and condominiums. In Seattle, developers generally report that structured parking costs between \$20,000 and \$30,000 per space, depending on such factors as location, land costs, parking demand, and zoning. These parking costs are passed on to tenants and condominium owners.

SEPA parking policies. The City's SEPA Parking Policies in Section 25.05.675M currently allow parking impact mitigation for projects located outside of downtown zones, the Seattle Cascade Mixed zone and the Pike/Pine neighborhood to be provided in the form of increased parking ratios (i.e., requiring more parking than the minimum required by the Land Use Code). This approach is based on the likelihood that spillover parking will occur on the surrounding supply of on-street parking. On First Hill, however, most of the on-street supply is time-limited through the use of meters or Residential Parking Zones, and an environmental analysis of a given project's parking and transportation impacts would take into account the availability of transit and the lower percentage of households that own cars. In neighborhoods like downtown, Pike/Pine and Cascade, SEPA authority for requiring more off-street parking is not needed due to these factors and, in some cases, SEPA authority can work against City policies and neighborhood goals to enhance pedestrian and transit use and reduce reliance on single-occupant vehicles.

Private Open Space Requirements in Commercial Zones

Comprehensive plan policies identify residential open space in commercially zoned areas as an important quality of life amenity for the residents of new development while encouraging residential uses in commercial areas. (See Appendix A.)

- L173: Provide open space as part of mixed-use and single-purpose residential developments in commercial areas to ensure open space amenities are available to residents and employees.
- L168: Allow residential use in neighborhood commercial areas to encourage housing in close proximity to shopping services and employment opportunities.
- L172: Limit lot coverage above the ground floor for structures containing residential uses to maintain compatibility with the scale and character of commercial areas and their surroundings, and to limit the impact on views.

Current open space requirements for residential uses in commercial zones were introduced in 1988 (Ordinance 113892). Since that time, no significant changes have been made to the provisions, even though substantial changes were made in 1989 to establish appropriate open space requirements for residential uses in multifamily zones (Ordinance 114887) without making corresponding changes for residential uses in commercial zones. The requirement in commercial zones is based on the amount of gross floor area in residential use while the requirement in multifamily zones is based on a percentage of the lot area. Consequently, and unintentionally, a significantly greater amount of open space is required for residential uses in commercial zones (with height limits generally greater than 65') than in multifamily zones.

An example of the problem. A 40-unit apartment building proposed on a 20,000 square foot lot located in a Midrise zone is currently required to provide a total of 5,000 square feet of open space at ground level. In addition, if open space is provided above ground level, the requirement jumps to 6,000 square feet.³ Due to the fact that the amount of required open space is determined by calculating a percentage of the lot area, the required open space does not increase, regardless of the number of units provided.

If a similar 40-unit building is proposed in a commercial zone (with street-level nonresidential space enabling maximum density⁴), the open space requirement for the residential uses would be determined by a percentage of residential floor area, not a percentage of the lot area⁵. If the 40 units have an average unit size of 800 square feet, the required open space would be 6,400 square feet. In this scenario, the requirements for similar developments in Midrise and commercial zones are similar.

When the commercial zone building contains more than 40 residential units, however, the open space requirements increase dramatically. If 50 units are provided in a mixed use structure, each with an average unit size of 800 square feet, the required open space is 8,000 square feet. If 60 units are provided, the required open space is 9,600 square feet.

³ Midrise Open Space Requirements at Section 23.45.058 A.2:

A minimum of twenty-five (25) percent of the lot area shall be provided as usable open space at ground level, except as provided in subsection A2b. . . . A maximum of one-third (1/3) of the required open space may be provided above ground in the form of balconies, decks, individual unit decks on roofs or common roof gardens if the total amount of required open space is increased to thirty (30) percent of lot area.

⁴ To avoid the limitation on density applied to single-purpose residential structures in commercial zones, the commercial zone example will have nonresidential space at ground level to qualify as mixed-use development under SMC 23.47.008.

⁵ Land Use Code Section 23.45.058 A2 sets forth current open space requirements for residential uses located in commercial zones, as follows:

Usable open space shall be required for all residential uses in an amount equal to twenty (20) percent of the structure's gross floor area in residential use. Calculation of a structure's gross floor area, for the purposes of this subsection, shall exclude area used for mechanical equipment, accessory parking and unenclosed decks, balconies or porches.

If 70 units are provided, the required open space jumps to 11,200 square feet, and so on. As the number of units increases, so increases the disparity in the amounts of required open space for development in commercial and Midrise zones. Table 2 illustrates this issue:

Table 2: Private Open Space Requirement Comparison; Midrise and Commercial Zones

Total Number of Units on 20,000 sf lot	Midrise Zone – Minimum Required Open Space (total in square feet)	Commercial Zone – Minimum Required Open Space (total in square feet)
40 Units	5,000	6,400
50 Units	5,000	8,000
60 Units	5,000	9,600
70 Units	5,000	11,200

Requiring an amount of open space based on the residential floor area of a building would not appear to make sense. Extending Table 2 to a building with 140 units shows that the resulting open space requirement of 20,800 square feet can exceed the total lot area, making development difficult within a reasonable cost per dwelling unit and arguably exceeding the minimum necessary to serve the residents of the building.

Open space and quality of life. Open space requirements are intended to provide a minimum amount of open space necessary to enhance quality of life for the residents of a building. Open space in commercial zones is most commonly provided in the form of rooftop or private decks and balconies. Open space is typically provided as a combination of private usable open space⁶ and a common area of usable open space intended for all residents.

Requirements for open space in commercial zones arguably should, at a minimum, mirror that required for residential use in multifamily zones. Requiring more open space than is warranted results in either more expensive housing or fewer dwelling units, and frequently both. In multifamily zones, open space is required to be provided at ground level, as well as above ground in the form of balconies, decks or roof decks. This is a reflection of the role that open space also provides in multifamily zones to enhance the general residential character of the neighborhood by landscaping required setbacks. However, requiring open space at ground level in commercial zones may serve to frustrate objectives for a vital streetfront pedestrian environment consisting of active

⁶ “Usable open space” is subject to standards regarding to appropriate size, shape, location and topography. Also, to count as open space, balconies must be at least 60 square feet with no dimension less than 6 feet.

commercial storefronts and pedestrian amenities. Frequently, there are no setbacks from property lines required or desirable. Therefore, given the scale of development anticipated in commercial zones in the First Hill Urban Village, an amount of open space equivalent to that required of residential developments in a Midrise residential zone should be sufficient to serve the needs of residents.

The proposed open space requirement for First Hill is based on a percentage of lot area, as follows:

Within the First Hill Urban Village, a minimum of twenty-five (25) percent of the lot area shall be provided as usable open space, except that in no case shall the open space requirement be greater than three hundred (300) square feet per unit.

While the consequence of the proposal will be to reduce the minimum amount of open space required of new residential development in commercial zones, it will result in requiring open space in an amount commensurate to a similar building in a residential zone. Open space will continue to be provided above ground in the form of private balconies and common roof decks. In addition, minimum standards related to the dimensions of the space will remain in place. Furthermore, residential buildings in commercial zones offer their residents spaces for gathering that residential zones do not offer, in the form of livelier pedestrian streetscapes and hospitable businesses such as cafes, shops and public plazas.

Recommendation

The Executive recommends approval of the following proposed amendments:

- *Set minimum parking requirements to reflect existing vehicle ownership patterns.* Reduced minimum parking requirements will help reduce the cost of housing for owners and renters, and supports neighborhood goals for residential redevelopment in the First Hill Neighborhood. For these reasons, a minimum parking requirement of 0.6 parking space per dwelling unit in the First Hill Urban Village is recommended.
- *Conform residential open space requirements in First Hill's commercial zones to the requirements in most of its residential zones.* Disparate open space requirements are currently a barrier to needed residential development in commercial zones, and can be corrected while still meeting the open space needs of building users and tenants. Steps toward standardizing residential open space requirements for residential and commercial zones corrects an unintended consequence of incremental adoption over time of the Land Use Code by establishing fair and equitable requirements. The Executive recommends reducing the residential open space requirements in commercial zones in First Hill to approximate the amount required in its residential zones.

- *Modify SEPA parking policies to exempt residential uses on First Hill from requirements to provide more parking than the minimum required by the Land Use Code.* The urban conditions that permit residents of First Hill the convenience to live, work and play without reliance on single-occupant vehicles indicates that the use of SEPA authority to require more parking than the minimum required by the Land Use Code is both unnecessary and inappropriate. To make SEPA parking policies consistent with Seattle's parking regulations, the Executive recommends elimination of SEPA authority to require more parking in the First Hill Urban Village for residential uses than otherwise required by the Land Use Code.

APPENDIX A

Selected Seattle Comprehensive Plan Policies

Land Use Element; Multifamily

Land Use Policy 138:

Establish off-street parking requirements for new housing developments. Balance the need to meet the approximate parking demand generated by new development so as to avoid adding to congestion of parked cars on surrounding streets, with the countervailing need to limit the effects structured parking can have on housing costs, and to recognize this Plan's policies encouraging the use of public transit and discouraging the use of automobiles.

Land Use Policy 139:

Allow exceptions to parking requirements for projects in which the parking demand of the occupants may be significantly different from those of the general population.

Land Use Element; Commercial

Land Use Policy 175:

In order to ensure short-term customer parking nearby, reduce congestion on adjacent streets, and minimize spillover parking into adjacent residential areas, maintain minimum parking requirements for uses allowed in commercial areas. *Set requirements to discourage underused parking facilities, which may mean tolerating occasional spillover parking, and allow minimum parking requirements to be waived or reduced to promote the maintenance and development of neighborhood commercial uses that encourage transit and pedestrian activity and variety of services in commercial areas.* Allow parking requirements to be reduced where parking demand is less because of the provision of an alternative transportation program. Such programs include the provision of carpool parking, vanpools, transit passes or extra bicycle parking for employees. *(Emphasis added.)*

Housing Element

Housing Policy 5:

Provide for lower off-street parking requirements in locations where car ownership rates are lower for resident populations, to help reduce housing costs and increase affordability.

Housing Policy 7:

Periodically assess the effects of City policies and regulations on housing development costs and overall housing affordability, considering the balance between housing affordability and the other objectives such as environmental quality, urban design quality, maintenance of neighborhood character, and protection of public health, safety and welfare.

APPENDIX B

Parking Requirements for Multifamily and Other Residential Uses

Chart A for Section 23.54.015 PARKING

Multifamily Uses	Parking Requirements
Multifamily uses except those listed below	<p>Uses containing 2--10 dwelling units: 1.1 spaces for each dwelling unit.</p> <p>Uses containing 11--30 dwelling units: 1.15 spaces for each dwelling unit.</p> <p>Uses containing 31--60 dwelling units: 1.2 spaces for each dwelling unit.</p> <p>Uses containing more than 60 dwelling units: 1.25 spaces for each dwelling unit.</p> <p>In addition, for all multifamily uses whose average gross floor area per dwelling unit, excluding decks and all portions of a structure shared by multiple dwelling units, exceeds 500 square feet, an additional .0002 spaces per square foot in excess of 500 shall be required up to a maximum additional .15 spaces per dwelling unit; and</p> <p>When at least 50 percent of the dwelling units in a multi-family use have 3 bedrooms, an additional .25 spaces per bedroom for each unit with 3 bedrooms shall be required; and</p> <p>Any multi-family use which contains a dwelling unit with 4 or more bedrooms shall be required to provide an additional .25 spaces per bedroom for each unit with 4 or more bedrooms.</p>
Multifamily uses containing dwelling units with 2 or more bedrooms, when within the area impacted by the University of Washington as shown on Map A following this section, unless such multifamily uses are occupied by low-income elderly, low-income disabled, or low-income elderly/low-income disabled households, in which case the provisions below apply	<p>1.5 spaces per unit with 2 or more bedrooms. The requirement for units with 3 or more bedrooms contained above shall also apply. All other requirements for units with fewer than 2 bedrooms shall be as contained above.</p>
Multifamily uses, when within the Alki area as shown on Map B following this section, unless another provision below allows fewer parking	<p>1.5 spaces per unit.</p>

spaces

Multifamily uses, for development sites that contain a total of 10 or fewer dwelling units, all in ground-related structures	1 space for each dwelling unit.
Multifamily uses, when located in Center City neighborhoods, for each dwelling unit rented to and occupied by a household with an income at time of its initial occupancy at or below 30 percent of the median family income, adjusted for household size, for the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area, as defined by the United States Department of Housing and Urban Development (HUD), for the life of the building	0.33 space for each dwelling unit with 2 or fewer bedrooms, and 0.5 space for each dwelling unit with 3 or more bedrooms
Multifamily uses, when located in Center City neighborhoods, for each dwelling unit rented to and occupied by a household with an income at time of its initial occupancy of between 30 and 50 percent of the median family income, adjusted for household size, for the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area, as defined by HUD, for the life of the building	0.5 space for each dwelling unit with 2 or fewer bedrooms, and 1 space for each dwelling unit with 3 or more bedrooms
Multifamily uses, when located outside of Center City neighborhoods, for each dwelling unit rented to and occupied by a household with an income at time of its initial occupancy at or below 30 percent of the median family income, adjusted for household size, for the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area, as defined by HUD, for the life of the building	0.33 space for each dwelling unit with 2 or fewer bedrooms, and 1 space for each dwelling unit with 3 or more bedrooms
Multifamily uses, when located outside of Center City neighborhoods, for each dwelling unit with 2 or fewer bedrooms rented to and occupied by a household with an income at time of its initial occupancy of between 30 and 50 percent of the median family income, adjusted for household size, for the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area, as defined by HUD, for the life of the building	0.75 spaces for each dwelling unit
Multifamily uses occupied by low-income elderly households	1 space for each 6 dwelling units.
Multifamily uses occupied by low-income disabled households	1 space for each 4 dwelling units.

Multifamily uses occupied by low-income elderly/low-income disabled households	1 space for each 5 dwelling units.
Multifamily uses, when within the Seattle Cascade Mixed zone or the Pike/Pine Overlay District	1 space for each dwelling unit.
Multifamily uses, when within the Pike/Pine Overlay District, for each residential unit rented to households at rents not exceeding 30 percent of 60 percent of the median income, adjusted for household size, for the Seattle-Everett Standard Metropolitan Statistical Area, as defined by the United States Department of Housing and Urban Development	1 space for each 2 dwelling units, when applicants demonstrate compliance with these criteria for the life of the building.

**Selected Additional Uses From Chart A
for Section 23.54.015
PARKING**

Other Categories of Residential Uses	Parking Requirements
Adult family home	1 space for each dwelling unit
Artist's studio/dwelling	1 space for each dwelling unit
Assisted living facility	1 space for each 4 assisted living units plus 1 space for each 2 staff members on-site at peak staffing time; plus 1 barrier-free passenger loading and unloading space; plus loading berth requirements per Section 23.54.035.
Caretaker's quarters	1 space for each dwelling unit
Congregate residence	1 space for each 4 dwelling units
Live-work unit	1 space for each unit, except that all or a portion of the use may be exempt under Section 23.54.015 E; plus the number of spaces required for the nonresidential portion for live-work units greater than 2,500 square feet, based on the most similar nonresidential use
Nursing homes	1 space for each 2 staff doctors; plus 1 additional space for each 3 employees; plus 1 space for each 6 beds.
Single-family dwelling units	1 space for each dwelling unit.